



Audit Expectations

2023 Annual Clerks Conference

1



REQUIRED AUDIT

- **Indiana Code 5-11-1-9**
Requires the State Examiner to examine all accounts and all financial affairs of every public entity
- **Federal Grant Agreements**
Federal grant agreements commonly call for an annual audit

2



AUDIT TYPES

- Financial Statements
 - Annual Financial Report in Gateway
- Federal Programs
 - Schedule of Federal Expenditures (SEFA)
- Compliance

3



GOALS OF AN ENGAGEMENT

Purpose of the Audit:

- To place an opinion on the financial statements of the county
 - Unmodified, or “clean” opinion, lets readers know the information is materially correct
 - Modified opinion lets readers know there are issues that need to be taken into consideration when it comes to the information presented
- To Report Non-compliance

4

COUNTY DEPARTMENT AUDITS



What departments are included in the audit of the county?

- All department within a county are subject to an audit

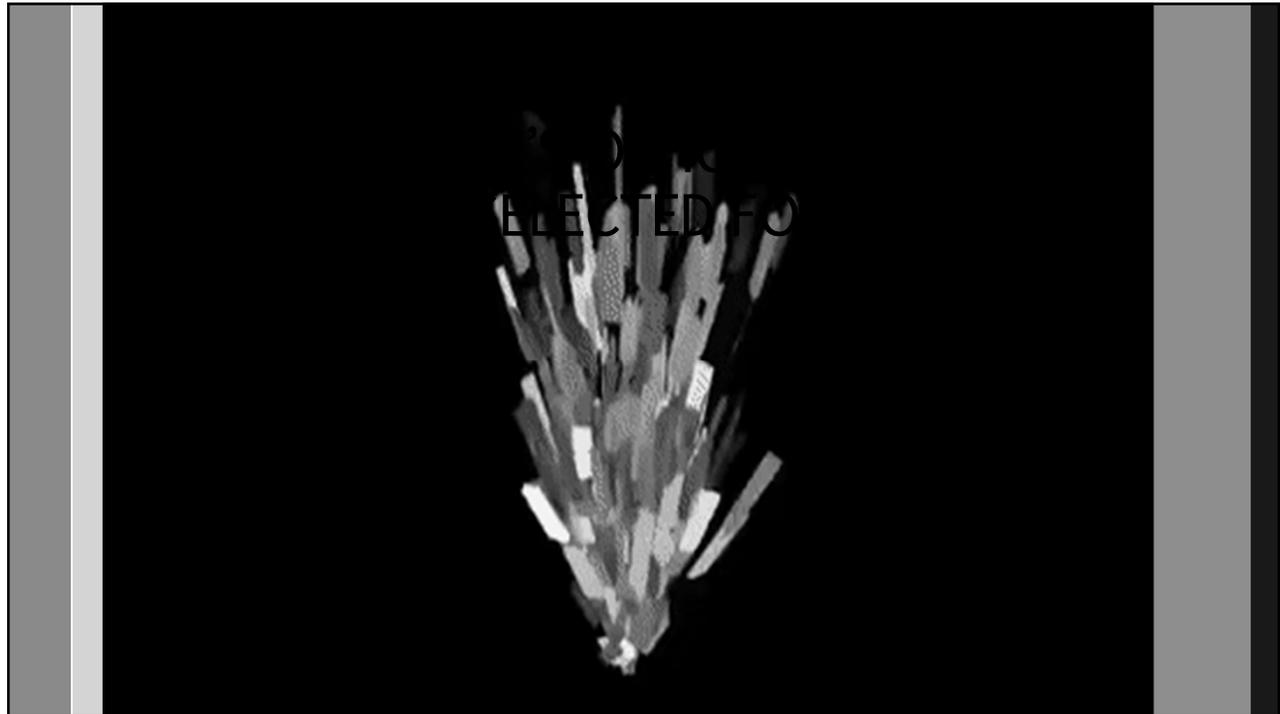
Are all departments audited every time?

- No

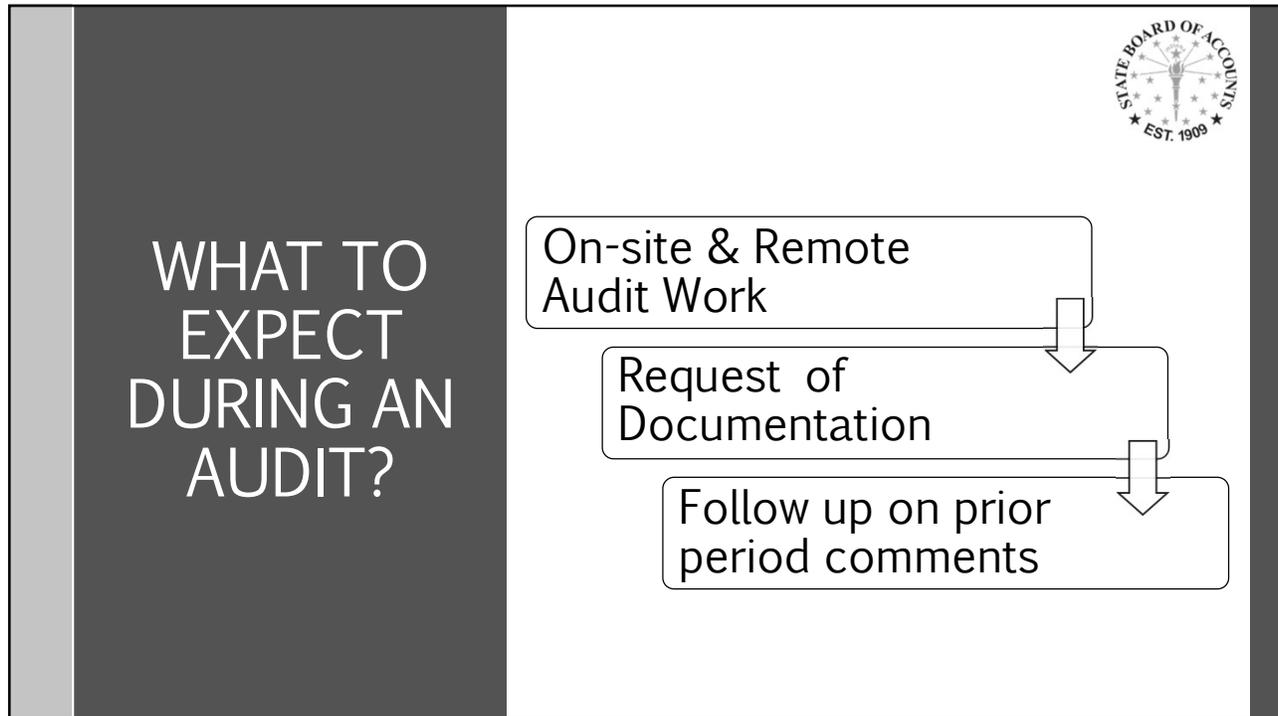
How are departments selected for audit?

- We determine which departments are material to the Financial Statements
- We review information submitted to our office
- We review the prior report
- Auditor Judgement

5



6



7

ON-SITE & REMOTE AUDIT WORK

Hybrid work schedule:

- Field Examiners typically work 2-3 days on-site
- Coordinate schedules with the examiners
- Gateway uploads and direct requests facilitate the process

8

REQUEST OF DOCUMENTATION



Items / Records Needed for Audit:

- Departments Financial Ledger, includes receipts, disbursements, and balances
- Bank Statements and Reconcilements
- Report of Collections
- Claims / Receipts / Supporting Documentation
- Policies & Procedure – Including Internal Control
- Supplement Annual Financial Reports
- Federal Grant Documents

9

TESTING FINANCIAL STATEMENTS



- Supplemental Annual Financial Report
 - Derived from the Fee & Cashbook
 - All Receipts and Disbursements are represented and posted correctly
 - Report of Collections and Auditors Ledger agree.
 - Trust Subsidiary agrees to Fee & Cashbook

10

TESTING RECEIPTS



- Recorded in a timely manner
 - Posted & Deposited Daily
 - Cash and Check Deposited Intact
- From an allowable source
 - Fee collected should agree to Statute
- Posted to correct fund
 - Fees turned over to Auditor monthly with the Report of Collections.

11

TESTING DISBURSEMENTS



- Recorded in a timely manner
- Appropriate party
- Approved by court

***Payroll is not audited as part of the Clerk's Audit but is apart of the overall County Audit.

12

TESTING RECONCILING



- Cash – Bank Reconcilements:
 - The ending bank balance should reconcile to the ending ledger balance for the department
 - All reconciling items should have supporting documentation
 - Reconciliations should be done monthly

13

TESTING FEDERAL GRANTS



- IV-D Child Support Enforcement:
 - Monthly Expenditure Claims
 - Quarterly Incentive Expense Forms
 - List of Employees paid from IV-D funds
 - Time Records for all IV-D employees
 - Cooperative Agreement Annual Budget Addendum
 - Inventory / Equipment Lists
 - Incentive Policies

14

FOLLOW UP ON PRIOR PERIOD COMMENTS



- 1) **Section II**– Findings related to the financial statements
- 2) **Section III**– Findings related to a major program
- 3) **Audit Results and Comments**– Significant Noncompliance with statute or an SBOA uniform compliance guideline
- 4) **Management Letter**– Not significant noncompliance with statute or an SBOA uniform compliance guideline – Not public
- 5) **Discussion Only**– Immaterial noncompliance with statute or an SBOA uniform compliance guideline – Not public

15

REPEAT FINDINGS



- IC 5-11-5-1.5
 - Finding in Report – Take corrective action
- Finding is repeated in subsequent Report:
 - Corrective Action Plan filed with SBOA
 - Follow up by SBOA

16



CORRECTIVE ACTION PLAN

CORRECTIVE ACTION PLAN FOR

| | |
|--|--|
| <i>Report period:</i> | |
| <i>Title of result and comment:</i> | |
| <i>Contact person Responsible for Corrective Action:</i> | |
| <i>Contact's Phone Number:</i> | |
| <i>Contact's Email Address:</i> | |
| <i>Views of Responsible Official:</i> | |
| <i>Description of Corrective Action Plan:</i> | |
| <i>Anticipated Completion Date:</i> | |
| <i>If applicable: Document reason issue will NOT be corrected within 6 months:</i> | |

17



AUDIT CONCLUSION

Communication:

- Field Examiners will discuss any issues throughout the audit process
- No surprises at Exit

18

AUDIT CONCLUSION – EXIT CONFERENCE



- Field Examiners will discuss any issues found that will be In the Audit Report
- Commissioners and Council will also be informed of issues
- An official response can be made to appear in the report as well

19

AUDIT REPORTS



- Audit Reports are posted to our website:
 - <https://secure.in.gov/apps/sboa/audit-reports/#/>
- Audit Reports are sent to:
 - Current and Prior Official(s) examined
 - President of governing board

IN 99V INDIANA STATE BOARD OF ACCOUNTS

Audit Report Filings

This index of Audit Reports issued by the Indiana State Board of Accounts is updated each day with reports released the previous day. If you wish to receive a copy of an audit report that is not available for download, please contact our office at (317) 232-2513. The cost of copies of audit reports is ten (10) cents per page. To speed up the process, have the report file date and number available when calling. These items can be obtained from the results of this search.

SEARCH AUDIT YEARS TO AUDIT TYPE

COUNTY UNIT TYPE

Filters

6038 records found

20



CONTACT US

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